

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2002-125

March 19, 2002

BANGOR HYDRO-ELECTRIC COMPANY  
Request for Approval of a Special Rate  
Contract with Indeck Maine Energy, LLC

ORDER APPROVING  
CONTRACT

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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## **SUMMARY OF DECISION**

By this Order, the Commission approves Bangor Hydro-Electric Company's (BHE's) proposed Special Rate Contract (contract) with Indeck Maine Energy, LLC (Indeck).

## **DISCUSSION AND DECISION**

On March 13, 2002, BHE filed with this Commission a proposed contract with Indeck.<sup>1</sup> Under the agreement, BHE temporarily eliminates its distribution demand charges for Indeck's West Enfield and Jonesboro biomass facilities. This temporary elimination period begins on March 1, 2002 and continues until the earlier of June 30, 2002 or until the Indeck plants cease commercial operation. The contract indicates that the amount of this temporary discount is expected to be approximately \$6,000 per month.

As described in the contract, Indeck is attempting to secure "qualified Massachusetts New Renewable Generation Attributes ('Attributes')" from Massachusetts and has an agreement to sell those Attributes if it successfully obtains them. If Indeck is able to sell its Attributes, under its contract with BHE, it must notify BHE of the sale and repay any demand charges that were temporarily eliminated. Conversely, if it is unable to make such a sale, it is not obligated to repay any of the discount to BHE.

In conversations with Commission Staff members, BHE has indicated that any discounts given to Indeck under this agreement will be absorbed by shareholders and will not be passed on to ratepayers. Therefore, because shareholders will be responsible for any losses, and because the amount of

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<sup>1</sup> The proposed contract filed on March 13, 2002 replaces a proposed contract filed on March 5, 2002. The March 13<sup>th</sup> version clarifies that the discount applies to the distribution demand charges only and does not apply to transmission charges.

money associated with the discount is not large, we find there is no significant risk to BHE's other customers as a result of this Agreement. Therefore, we will allow the contract to go into effect.

Accordingly, we

**O R D E R**

That the contract with Indeck Maine Energy, LLC, filed by Bangor Hydro-Electric Company on March 13, 2002, is hereby approved and may become effective as of March 1, 2002, as requested by BHE.

Dated at Augusta, Maine, this 19<sup>th</sup> day of March, 2002.

**BY ORDER OF THE COMMISSION**

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      WELCH  
   NUGENT  
   DIAMOND

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.